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**IPE GROUP LIMITED**  
**國際精密集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 929)**

**PROFIT WARNING**

This announcement is made by IPE Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong.

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the management accounts of the Group for the six months ended 30 June 2023 and the information currently available to the Board, net profit after tax of the Company for the six months ended 30 June 2023 is expected to decrease by approximately 60% as compared with the corresponding period in 2022. The decrease in net profit after tax of the Group was primarily due to: (i) the drop in total sales of the Group by approximately 17% in the first half of 2023, such drop was mainly due to the significant decrease in sales of its electronic equipment components (including hard disk drive) business as a result of the decline in demand, leading to a subsequent reduction in gross profit contribution; (ii) the substantial amount of exchange gain recorded by one of the Group’s subsidiaries in consequence of renminbi depreciation in the corresponding period in 2022, while the renminbi-denominated liability of the subsidiary had decreased in the current period as compared with the first half of 2022 and the Group, in general, recorded an exchange loss in the current period; (iii) the increase in borrowing costs in the first half of 2023 as a result of increasing lending rate in the second half of 2022 following interest rate hikes in United States; and (iv) the increase in research and development expenditure as compared with the corresponding period in 2022. The Group established a research institute in June 2022 and proactively invested more resources in research and development in the second half of 2022, but time is required for achieving economic benefits from the research and development works.

As the Company is still finalising its interim results for the six months ended 30 June 2023, the information disclosed in this announcement is based on preliminary assessment made by the management of the Company based on the latest unaudited management accounts of the Group, which have not been reviewed by the audit committee of the Company. Further details of the Group's performance will be disclosed in the Group's interim results announcement for the six months ended 30 June 2023, which will be announced in August 2023.

By Order of the Board  
**IPE Group Limited**  
**Tam Yiu Chung**  
*Company Secretary*

Hong Kong, 21 July 2023

*As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Zeng Guangsheng (Chairman and Chief Executive Officer) and Mr. Ng Hoi Ping; two non-executive directors, namely, Ms. Zeng Jing and Mr. Chen Kuangguo; and three independent non-executive directors, namely, Mr. Yang Rusheng, Mr. Cheung, Chun Yue Anthony and Mr. Zhu Jianbiao.*